



News from

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Defending Davis-Bacon and the Prevailing Wage

By Congressman Ron Kind

In September, President Bush issued a proclamation suspending the 1931 Davis-Bacon Act for workers in areas affected by Hurricane Katrina. As you know, Davis-Bacon requires federal contractors to pay construction workers the locally prevailing wage for their job function. Suspending the law enabled federal contractors to pay workers less than they would usually have to pay for the same work with no obligation to pass any savings on to federal taxpayers. Succumbing to pressure from a united Democratic front, a small group of members of his own party, religious groups, and the labor community, President Bush announced recently that he would reverse the decision.

The Davis-Bacon law is an important safeguard for workers everywhere, but especially for those in the Gulf region who must rebuild their lives in addition to rebuilding their devastated communities. Of the four states affected by the President's original proclamation, only Florida has a state minimum wage law separate from the federal minimum wage law. (Florida's state minimum wage is \$6.15 per hour.) Without Davis-Bacon, workers in Alabama, Louisiana, and Mississippi would only be protected by the federal minimum wage, which is now just \$5.15 per hour. A "back-of-the-envelope" calculation finds that a worker putting in 40 hours a week for 50 weeks a year at the minimum wage would earn an annual income of \$10,300.

The President's wage cut was facing a congressional showdown as early as next week because of a Joint Resolution I and other Education and the Workforce Democrats introduced that would have forced the House to vote by early November on whether or not to allow the wage cut to stand. That action – coupled with pressure from some members of the President's own party – left the President no option but to reverse his own mistake.

On one level, it is a real victory that our efforts led to President Bush's realization that his Gulf Coast wage-cut was a bad idea that hurt workers and their families. But there is a broader point that bears repeating as well. While no President or Congress can control the economy, it is true that the federal government's economic policies can have substantial effects on Americans' livelihoods, and this Administration and Republican Congress have time and again chosen economic policies that enrich the few, not the many.

Together, they have blocked efforts to raise the minimum wage (the last increase in the minimum wage was in 1997); they have opposed efforts to protect and strengthen the rights of workers to form or join a union; and they have failed to stem the rising cost of college and the rising price of gas. When reflecting on recent policy impacting working families, the suspension of the Davis-Bacon wage standards is just the latest example of the President and his party governing on behalf of the few instead of all Americans.

The sum of these misguided economic policies have had real consequences on working people: between July and August of this year, average weekly earnings among U.S. households continued their long decline, decreasing by 0.5 percent when adjusted for inflation, according to the Bureau of Labor Statistics. This is on top of a number of other disturbing trends for American workers, including the growing number of working uninsured, a steady decline in employee pension benefits, and a rollback of a number of workplace protections.

The successful defense of Davis-Bacon represents a victory against an Administration that has all too frequently left America's workers behind. We need to continue to fight for progressive labor policy that protects workers' rights, including the right to join a union and collectively bargain the terms of employment, creates more opportunities for the workforce of today and tomorrow through investments in job-training and education, and most importantly, works to improve the overall quality of life for working people and their families.

Congressman Ron Kind represents Wisconsin's Third Congressional District and is a member of the House Education and the Workforce Committee.